

Draft
30 March 1970

A BILL

To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I - RETIREMENT FINANCING

SEC. 101. Section 111 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, (78 Stat. 1043; 50 U.S.C. 403 note) is further amended--

- (1) by striking out "and" at the end of paragraph (2);
- (2) by striking out the period at the end of paragraph
- (3) and inserting a semicolon in lieu thereof; and
- (3) by adding the following new paragraphs (4) and
- (5):

"(4) 'fund balance' means the sum of--

"(a) the investments of the fund calculated at par value; and

"(b) the cash balance of the fund on the books of the Treasury; and

"(5) 'unfunded liability' means the estimated excess of the present value of all benefits payable from the fund to participants and former participants, subject to this Act, and to their survivors, over the sum of--

"(a) the present value of deductions to be withheld from the future basic pay of participants currently subject to this Act and of future Agency contributions to be made in their behalf; plus

"(b) the present value of Government payments to the fund under section 261 of this Act; plus

"(c) the fund balance as of the date the unfunded liability is determined.".

SEC. 102. (a) Section 261 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by inserting "(a)" after "261." and by adding the following new paragraphs (b) and (c):

"(b) Any statute or authority based on statute which authorizes--

"(1) new or liberalized benefits payable from the fund, including annuity increases other than under section 291 of this Act;

"(2) extension of the coverage of this Act to new groups of employees; or

"(3) increases in pay on which benefits are computed;

is deemed to authorize appropriations to the fund to finance the unfunded liability created by that statute or authority in 30 equal annual installments with interest computed at the rate used in the then most recent valuation of the Central Intelligence Agency Retirement and Disability System and with the first payment thereof due as of the end of the fiscal year in which each new or liberalized benefit, extension of coverage, or increase in pay is effective.

"(c) At the end of each fiscal year, the Director shall notify the Secretary of the Treasury of the amount equivalent to (1) interest on the unfunded liability computed for that year at the interest rate used in the then most recent valuation of the System, and (2) that portion of disbursement for annuities for that year which the Director estimates is attributable to credit allowed for military service. Before closing the accounts for each fiscal year, the Secretary shall

credit to the fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the following percentages of such amounts: 10 percent for 1971; 20 percent for 1972; 30 percent for 1973; 40 percent for 1974; 50 percent for 1975; 60 percent for 1976; 70 percent for 1977; 80 percent for 1978; 90 percent for 1979; and 100 percent for 1980 and for each fiscal year thereafter. The Director shall report to the President and to the Congress the sums credited to the fund under this paragraph."

(b) The provisions of paragraph (c) of section 261 shall become effective at the beginning of the fiscal year which ends on June 30, 1971.

SEC. 103. Section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting paragraph (c)(1); renumbering paragraphs (c)(2) and (c)(3) to read (c)(3) and (c)(4); and inserting the following new paragraphs (c)(1) and (c)(2):

"(c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, the Government's contributions (including interest accrued thereon computed at the rate of 3 percent a year compounded annually) under such retirement

system on behalf of the officer or employee shall be transferred to the fund and such officer or employee's total contributions and deposits (including interest accrued thereon), except voluntary contributions, shall be transferred to his credit in the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

"(c) (2) If a participant in the system becomes an employee under another Government retirement system by direct transfer to employment covered by such system, the Government's contributions (including interest accrued thereon computed at the rate of 3 percent a year compounded annually) to the fund on his behalf may be transferred to the fund of the other system and his total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to his credit in the fund of such other retirement system effective

as of the date he becomes eligible to participate in such other retirement system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the fund on account of service rendered prior to his becoming eligible for participation in such other system.

TITLE II - RETIREMENT AMENDMENTS

SEC. 201. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, (78 Stat. 1043; 50 U.S.C. 403 note) is further amended by striking subsection 204 (b)(3) and inserting the following in lieu thereof:

"(3) 'Child', for the purposes of sections 221 and 232 of this Act, means an unmarried child, including (i) an adopted child, and (ii) a stepchild or recognized natural child who lived with the participant in a regular parent-child

1 relationship, under the age of eighteen years, or such un-
2 married child regardless of age who because of physical or
3 mental disability incurred before age eighteen is incapable
4 of self-support, or such unmarried child between eighteen and
5 twenty-two years of age who is a student regularly pursuing
6 a full-time course of study or training in residence in a high
7 school, trade school, technical or vocational institute, junior
8 college, college, university, or comparable recognized educa-
9 tional institution. A child whose twenty-second birthday
10 occurs prior to July 1 or after August 31 of any calendar
11 year, and while he is regularly pursuing such a course of
12 study or training, shall be deemed for the purposes of this
13 paragraph and section 221 (c) of this Act to have attained
14 the age of twenty-two on the first day of July following such
15 birthday. A child who is a student shall not be deemed to
16 have ceased to be a student during any interim between
17 school years if the interim does not exceed five months and
18 if he shows to the satisfaction of the Director that he has a
19 bona fide intention of continuing to pursue a course of study
20 or training in the same or different school during the school
21 semester (or other period *into* which the school year is
22 divided) immediately following the interim. The term

'child', for purposes of section 241, shall include an adopted child and a natural child, but shall not include a stepchild."

SEC. 202. Section 221 (e) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

"(e) The commencing date of an annuity payable to a child under paragraph (c) or (d) of this section, or (c) or (d) of section 232, shall be deemed to be the day after the annuitant or participant dies, with payment beginning on that day or beginning or resuming on the first day of the month in which the child later becomes or again becomes a student as described in section 204 (b) (3), provided the lump-sum credit, if paid, is returned to the fund. Such annuity shall terminate on the last day of the month before (1) the child's attaining age eighteen unless he is then a student as described or incapable of self-support, (2) his becoming capable of self-support after attaining age eighteen unless he is then such a student, (3) his attaining age twenty-two if he is then such a student and not incapable of self-support, (4) his ceasing to be such a student after attaining age eighteen unless he is then incapable of self-support, (5) his marriage, or (6) his death, whichever first occurs."

SEC. 203. Section 221 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting the last two sentences of paragraph (f), and adding the following new paragraphs (i), (j), and (k) :

"(i) Except as otherwise provided, the annuity of a participant shall commence on the day after separation from the service, or on the day after salary ceases and the participant meets the service and the age or disability requirements for title thereto. The annuity of a participant under section 234 shall commence on the day after the occurrence of the event on which payment thereof is based. An annuity otherwise payable from the fund allowed on or after date of enactment of this provision shall commence on the day after the occurrence of the event on which payment thereof is based.

"(j) An annuity payable from the fund on or after date of enactment of this provision shall terminate (1) in the case of a retired participant, on the day death or any other terminating event occurs, or (2) in the case of a survivor, on the last day of the month before death or any other terminating event occurs.

"(k) The annuity computed under this section is reduced by 10 percent of a special contribution described by section 252(b) remaining unpaid for civilian service for which retirement deductions have not been made, unless the participant elects to eliminate the service involved for the purpose of annuity computation."

SEC. 204. Section 236 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by placing a period after "June 30, 1969" and deleting the remainder of the paragraph.

SEC. 205. Section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by adding the following new paragraph (g):

"(g) For the purpose of survivor annuity, special contributions authorized by paragraph (b) of this section may also be made by the survivor of a participant."

SEC. 206. Section 273 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting paragraph (a); renumbering paragraph (b) to read (c); and inserting the following new paragraphs (a) and (b):

"(a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive on the date of his retirement or separation from the Agency. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

"(b) When any such annuitant is reemployed, the employer shall notify the Director of Central Intelligence of such reemployment and shall provide all pertinent information relating thereto."